

1 HB357
2 135965-6
3 By Representative DeMarco (Constitutional Amendment)
4 RFD: Constitution, Campaigns and Elections
5 First Read: 16-FEB-12

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ENROLLED, An Act,

Proposing an amendment to the Constitution of Alabama of 1901, to become effective January 1, 2014, relating to corporations; to amend Section 229, as amended by Amendment 27 of the Constitution of Alabama of 1901, now appearing as Section 229 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to the authority of the Legislature to pass general laws pertaining to corporations and other entities; to amend Section 239 of the Constitution of Alabama of 1901, now appearing as Section 239 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to telephone and telegraph companies; to amend Section 240 of the Constitution of Alabama of 1901, now appearing as Section 240 of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to the ability of corporations to sue and be sued like natural persons; and to repeal Sections 230, 231, 232 as amended by Amendment 473, 233, 234, 236, 237, 243, 244, 245, and 246 of the Constitution of Alabama of 1901, now appearing as Sections 230, 231, 232, 233, 234, 236, 237, 243, 244, 245, and 246, respectively, of the Official Recompilation of the Constitution of Alabama of 1901, as amended, relating to private corporations and railroads and canals.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 ~~organized under or authorized to do business by the laws of~~
2 ~~Alabama shall not be required to pay such a tax on their~~
3 ~~withdrawable or repurchasable shares. The charter of any~~
4 ~~corporation shall be subject to amendment, alteration, or~~
5 ~~repeal under general laws. Exemption of the shares of building~~
6 ~~and loan associations from franchise taxes heretofore provided~~
7 ~~by statute is ratified.~~

8 "The Legislature shall pass general laws under which
9 corporations and other entities may be organized, authorized
10 to do business or conduct their affairs, operated, dissolved,
11 and regulated; such laws, now existing or hereafter passed,
12 shall be subject to amendment or repeal by general law. The
13 Legislature, by general law, shall provide for the payment to
14 the State of Alabama of a tax on the privilege of doing
15 business in Alabama or being organized, incorporated,
16 qualified, or registered under the laws of Alabama. Strictly
17 benevolent, educational, or religious corporations shall not
18 be required to pay such a tax on their withdrawable or
19 repurchasable shares to the extent they have such shares."

20 2. Section 239 of the Constitution of Alabama of
21 1901, is amended to read as follows:

22 "Any association or corporation organized for the
23 purpose, or any individual, shall have the right to construct
24 and maintain lines of telegraph and telephone within this
25 state, and connect the same with other lines; and the

1 legislature shall, by general law of uniform operation,
2 provide reasonable regulations to give full effect to this
3 section. ~~No telegraph or telephone company shall consolidate~~
4 ~~with or hold a controlling interest in the stock or bonds of~~
5 ~~any other telegraph or telephone company owning a complete~~
6 ~~[competing] line, or acquire, by purchase or otherwise, any~~
7 ~~other competing line of telegraph or telephone."~~

8 3. Section 240 of the Constitution of Alabama of
9 1901, is amended to read as follows:

10 "Section 240. All corporations shall have the right
11 to sue, and shall be subject to be sued, in all courts in like
12 cases as natural persons.

13 "Dues from private corporations shall be secured by
14 such means as may be prescribed by law; but in no case shall
15 any stockholder be individually liable otherwise than for the
16 unpaid stock owned by him or her."

17 4. The following sections of the Constitution of
18 Alabama of 1901, relating to private corporations and
19 railroads and canals are repealed: Section 230, relating to
20 the cancellation of certain corporate charters; Section 231,
21 relating to limitation on remitting forfeiture of corporate
22 charters; Section 232, as amended by Amendment 473, relating
23 to foreign corporations doing business in the state; Section
24 233, relating to corporations being restricted to business
25 authorized by the charter; Section 234, relating to

1 restrictions on the issuance of corporate stocks and bonds;
2 Section 236, relating to security for dues from private
3 corporations and liability of stockholders; Section 237,
4 relating to issuance of preferred stock by corporations;
5 Section 243, specifying that the regulation of railroad
6 companies is vested in the Legislature; Section 244, relating
7 to prohibiting the giving of free passes or discount tickets
8 to members of the Legislature or officers exercising judicial
9 functions; Section 245, relating to railroads not giving
10 rebates or bonuses and deceiving or misleading the public as
11 to rates; and Section 246, relating to acceptance of article
12 as a prerequisite to benefits to future legislation.

13 Section 2. An election upon the proposed amendment
14 shall be held in accordance with Sections 284 and 285 of the
15 Constitution of Alabama of 1901, now appearing as Sections 284
16 and 285 of the Official Recompilation of the Constitution of
17 Alabama of 1901, as amended, and the election laws of this
18 state.

19 Section 3. The appropriate election official shall
20 assign a ballot number for the proposed constitutional
21 amendment on the election ballot and shall set forth the
22 following description of the substance or subject matter of
23 the proposed constitutional amendment:

24 "Proposing an amendment to the private corporation
25 provisions of Article 12 of the Constitution of Alabama of

1 1901, to become effective January 1, 2014, to continue the
2 authority of the Legislature to pass general laws pertaining
3 to corporations and other entities; to continue the authority
4 of the Legislature to regulate and impose a business privilege
5 tax on corporations and other entities; and to repeal various
6 provisions concerning private corporations, railroads, and
7 canals.

8 "Proposed by Act _____."

9 This description shall be followed by the following
10 language:

11 "Yes () No ()."

